

## Message Text

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ACTION DLOS-09

INFO OCT-01 IO-13 ISO-00 AF-10 ARA-11 EA-10 EUR-12  
NEA-10 ACDA-12 AGRE-00 AID-05 CEA-01 CEQ-01 CG-00  
CIAE-00 COME-00 DODE-00 DOTE-00 EB-08 EPA-01  
SOE-02 DOE-15 FMC-01 TRSE-00 H-01 INR-10 INT-05  
JUSE-00 L-03 NSAE-00 NSC-05 NSF-01 OES-09 OMB-01  
PA-01 PM-05 SP-02 SS-15 ICA-11 /191 W  
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R 132300Z SEP 78  
FM USMISSION USUN NEW YORK  
TO SECSTATE WASHDC 3382

C O N F I D E N T I A L SECTION 01 OF 03 USUN NEW YORK 03599

FROM LOSDEL

E.O. 11652: GDS  
TAGS: PLOS  
SUBJECT: LOS CONFERENCE DAILY SUMMARY - SEPTEMBER 11

SUMMARY: THE GENERAL COMMITTEE MET TO CONSIDER THE SCHE-  
DULE OF WORK DURING THE FINAL WEEK OF THIS SESSION, BEGIN  
PLANNING FOR THE NEXT SESSION, AND TO PROPOSE THAT THE  
CONFEREES ESTABLISH A DEADLINE FOR THE CONCLUSION OF THEIR  
WORK. NG-1 CONSIDERED DATA TRANSFER AND TRAINING ISSUES  
AS WELL AS QUOTA/ANTI-MONOPOLY PROBLEMS. NG-2'S DISCUS-  
SION OF THE EVENSEN PROPOSAL PRODUCED NO MOVEMENT.  
END SUMMARY

1. AMERASINGHE OPENED THE GENERAL COMMITTEE BY PRESENT-  
ING A TENTATIVE FINAL WEEK WORK SCHEDULE AND SUGGESTED  
THAT IT WOULD BE USEFUL TO ESTABLISH CERTAIN DEADLINES  
FOR THE COMPLETION OF THE WORK. SPECIFICALLY, HE RECOM-  
MENDED THAT IN ORDER FOR THE GROUP TO RETAIN ITS CREDIBIL-  
ITY, THE ICNT SHOULD BE FORMALIZED BY THE END OF THE  
NEXT SESSION. THE DELEGATES WERE ALSO ASKED TO CONSIDER  
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THE DATE, DURATION AND LOCATION OF THE NEXT SESSION, BUT  
NOT TO BRING UP SUBSTANTIVE MATTERS.

2. CAMEROON (ENGO), SUPPORTED BY POLAND AND ALGERIA,  
COMPLAINED THAT THE SECRETARIAT WAS DICTATING THE SCHEDULE  
OF WORK. AMERASINGHE, HOWEVER, POINTED OUT THAT THE  
SCHEDULE WAS ONLY TENTATIVE AND COULD BE ADJUSTED. IN

ADDITION, IT WAS BASED ON TIME REQUESTED BY THE CHAIRMAN OF THE COMMITTEES AND NEGOTIATING GROUPS. CHILE, SUGGESTED THAT THE CAMEROON/POLAND INTERVENTIONS WERE UNCALLED FOR SINCE THE PROCEDURES FOLLOWED IN THIS MATTER WERE AGREED UPON IN GENEVA.

3. THE USSR (KOZYREV) SUPPORTED BY UGANDA WAS SUSPICIOUS OF SETTING ANY DEADLINES FOR COMPLETION OF CONFERENCE WORK AND WONDERED WHAT PRESSURE GROUPS MIGHT HAVE INFLUENCED THE SUGGESTION. AMERASINGHE QUICKLY RESPONDED THAT IT WAS STRICTLY HIS OWN SUGGESTION AND THAT HE WAS NOT INFLUENCED BY ANY DELEGATION OR GROUP.

4. INDONESIA (MOCHTAR) STATED THAT IN HIS VIEW, THE GOAL WAS TO COMPLETE DISCUSSIONS WITHIN THE NEGOTIATING GROUPS DURING THIS RESUMED SESSION SO THAT PROPOSALS COULD BE SUBMITTED FOR AN AGREED TEXT.

5. IRAQ (AL-WITRI) IN A LENGTHY INTERVENTION COMPLAINED THAT NG-4 HAD ONLY SCHEDULED TWO MEETINGS DURING THE RESUMED MEETING AND APPEALED TO THE GROUP TO PAY MORE ATTENTION TO THE RIGHTS OF THE LL/GDS SINCE THE FAILURE TO RESOLVE THIS PROBLEM COULD PROVE A SERIOUS OBSTACLE TO A SUCCESSFUL CONCLUSION OF THE CONFERENCE. THE NG-4 CHAIRMAN (NANDAN) RESPONDED THAT AFTER EXTENSIVE CONSULTATIONS WITH APPROPRIATE GROUPS HIS CONCLUSION WAS CONFIDENTIAL

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THAT THIS WAS NOT THE TIME TO PROCEED WITH NG-4 TEXTS.

6. OTHER INTERVENTIONS ABOUT THE SCHEDULE FOR THE FINAL WEEK RESULTED IN SOME JUGGLING OF MEETINGS AND A DETERMINATION THAT THE GENERAL COMMITTEE SHOULD MEET AGAIN PRIOR TO THE CONVENING OF THE PLENARY ON SEPTEMBER 14.

7. THE SECRETARIAT (ZULETA) ALSO PRESENTED THE DELEGATES WITH INFORMATION FOR THEIR CONSIDERATION IN DETERMINING THE LOCATION AND DATES FOR THE NEXT (EIGHTH) SESSION OF UNCLOS. HE STATED THAT THE FEWEST PROBLEMS, IN RELATION TO THE UN CALENDAR AS A WHOLE, WOULD BE REALIZED IF THE NEXT SESSION WERE TO BE HELD IN GENEVA 23 APRIL - 1 JUNE 1979. IF THE SITE HAS TO BE NEW YORK, ZULETA SUGGESTED JULY-AUGUST 1979 TIME FRAME. COMMENT: SPACE PROBLEMS PRECIPITATED BY PLANNED REHABILITATION OF SEVERAL UN MEETING ROOMS SEEM TO BE THE MAIN REASON FOR FAVORING GENEVA. END COMMENT. FURTHER DISCUSSION ON THIS SUBJECT IS PLANNED FOR LATER THIS WEEK AT THE NEXT MEETING OF THE GENERAL COMMITTEE AND THE PLENARY. IN THE MEANTIME, THE VARIOUS INTEREST GROUPS ARE EXPECTED TO DEVELOP THEIR RESPECTIVE POSITIONS. THE US PLANS TO

REMAIN NEUTRAL.

8. NG-1 DEBATE (SEPTEMBER 11) BEGAN WITH PARAGRAPH 8 (TRANSFER OF DATA) WHERE THE US POINTED OUT SEVERAL AREAS OF AMBIGUITY IN THE CURRENT TEXT. THESE INCLUDED: THE QUESTION OF WHO "DEEMS" DATA TO BE PROPRIETARY; THE NATURE OF THE DATA TO BE TRANSFERRED; THE RELATIONSHIP BETWEEN THE DATA COVERED IN PARAGRAPH 8 AND THE DATA TO BE TRANSFERRED AS PART OF THE BANKING PROCESS; AND THE GENERAL PROBLEM OF HOW TO ENSURE THAT THE ENTERPRISE DOES NOT OBTAIN ACCESS TO COMMERICALLY SENSITIVE INFORMATION.

9. MOVING ON TO PARAGRAPH 9, THE US POINTED OUT THAT THE REQUIREMENT THAT "ALL ACTIVITIES BE COVERED BY THE CONFIDENTIAL

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FROM LOSDEL

CONTRACT" COULD CREATE PROBLEMS REGARDING THE PROTECTION OF PROPRIETARY INFORMATION; THAT THE TRAINING PROGRAM WOULD BE EXPENSIVE; AND THAT THE CONTRACTOR MIGHT THEREFORE HAVE TO CHARGE TRAINEES' SPONSORS FOR TRAINING SERVICES RENDERED. ALSO, THE US ASKED WHETHER AND HOW PERSONNEL

OF THE ENTERPRISE, WHICH WOULD BE COMPETING WITH PRIVATE CONTRACTORS, SHOULD BE TRAINED.

10. BELGIUM ASKED THAT PARAGRAPH 9 BE CROSS-REFERENCED TO ARTICLE 144 AND SUGGESTED THAT THE OBLIGATION TO TRAIN ALSO FALL UPON A "PROSPECTOR" AS WELL AS A "CONTRACTOR".

11. G-77 DELEGATES GENERALLY ACCEPTED THE IDEA THAT THERE BE A CROSS REFERENCE TO ARTICLE 144, BUT WANTED TO MAKE MANDATORY THE OBLIGATION IMPOSED BY THE TWO PROVISIONS. THE BELGIANS RESPONDED THAT CONTRACTORS ARE GENERALLY NOT EQUIPPED TO BE TEACHERS AND THAT IT MIGHT BE BETTER TO CREATE AN "INSTITUTE OF SEABED MINING" WHEREIN THE AUTHORITY AND THE LDC PERSONNEL COULD BE TRAINED. THIS  
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PROPOSAL WAS REJECTED BY THE G-77. THEY CLAIMED THAT SCHOOLS CAN NOT TEACH ON-THE-JOB KNOW-HOW.

12. THE SESSION CONCLUDED WITH A INTERVENTION BY BRAZIL WHICH INTERPRETED THE OBLIGATION IMPOSED BY PARAGRAPH 9 TO INCLUDE NOT ONLY TRAINING, BUT ALSO REQUIRING THAT AUTHORITY AND LDC PERSONNEL BE EMPLOYED BY PRIVATE CONTRACTORS ON A CONTINUING BASIS.

13. NG-1 (SEPTEMBER 8) WAS DEVOTED TO THE QUOTA/ANTI-MONOPOLY CLAUSE. THE USSR LED OFF WITH A EXTENSIVE SPEECH OUTLINING A THREE-LAYERED APPROACH. THE FIRST LAYER WOULD RESTRICT ANY STATE TO A CERTAIN PERCENTAGE OF THE AREA, MINUS ANY AREAS RESERVED TO THE ENTERPRISE OR PLACED OFF LIMITS ON ENVIRONMENTAL GROUNDS. THE SECOND WOULD PREVENT CONCENTRATION OF MINE SITES UNDER THE SPONSORSHIP OF ANY STATE WITHIN A RELATIVELY SMALL AREA. THE THIRD WOULD GIVE A PREFERENCE TO A STATE WITH NO MINE SITES OVER A STATE HAVING SEVERAL MINE SITES WHEN THEY WERE COMPETING UNDER THE PRODUCTION CONTROL.

14. THE US RESPONDED THAT IT WOULD BE WILLING TO EXAMINE THE FIRST TWO APPROACHES BUT THAT THE THIRD CAUSED SERIOUS PROBLEMS, AND WAS UNACCEPTABLE IF THE PREFERENCE WAS INTENDED TO BE ABSOLUTE RATHER THAN ONE OF A NUMBER OF FACTORS TO BE CONSIDERED. THE US ALSO RAISED THE PROBLEM OF "FLAG OF CONVENIENCE," POINTING OUT THAT ANY QUOTA/ ANTI-MONOPOLY FORMULA BASED ON NATIONALITY WOULD BE IMPOSSIBLE TO ENFORCE.

15. FRANCE SUPPORTED THE USSR AND INDICATED THAT IT ALREADY HAVE NUMBERS IN MIND TO FILL IN THE BLANKS OF THE SOVIET PROPOSAL.

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16. THE UK RESERVED ITS POSITION, EMPHASIZED THE COMPLEXITY OF QUOTA/ANTI-MONOPOLY PROBLEM, AND INDICATED THAT NO DEFINITIVE POSITION COULD BE ADOPTED PENDING SOLUTIONS OF THE PRODUCTION CONTROL AND SELECTION OF APPLICANTS ISSUES. THE UK SUGGESTED THAT IF IT PROVES TOO DIFFICULT TO DEVELOP A SPECIFIC SOLUTION IN THE ANNEX, A "PROCEDURAL" SOLUTION GIVING THE AUTHORITY DISCRETION TO DEAL WITH THE PROBLEM, IF IT DEVELOPS, SHOULD BE EXAMINED. THE FRG RESERVED ITS POSITION AND EMPHASIZED THE INTERRELATION OF THE QUOTA/ANTI-MONOPOLY PROBLEM WITH OTHER, AS YET UNRESOLVED, ISSUES AND URGED THAT THE GROUP NOT ENTER INTO DETAILED DISCUSSION AT THIS TIME.

17. THE G-77 IN GENERAL SUPPORTED THE SOVIETS AND MANY G-77 DELEGATES URGED THEM TO CIRCULATE A DRAFT TEXT. PERU (DE SOTO) SAID THAT THE G-77 WILL WANT TO DISCUSS THE QUOTA/ANTI-MONOPOLY INTERNALLY BEFORE ENGAGING IN A DETAILED DEBATE WITH THE INDUSTRIALIZED COUNTRIES AND URGED INTERESTED INDUSTRIALIZED COUNTRIES MEANWHILE TO CONTINUE TRYING TO WORK OUT A JOINT POSITION.

18. NG-2 CONCENTRATED ON THE PROPOSAL OF MINISTER EVENSEN, BUT THE RESULT WAS ONLY THAT THE DEVELOPED COUNTRIES AND THE DEVELOPING COUNTRIES DUG THEMSELVES FURTHER IN ON OPPOSITE SIDES OF THE ISSUE:

19. THE GL77 SEE CONTRACTOR PAYMENTS TO THE AUTHORITY AS FINANCING THE ENTERPRISE, NOT BEING SIGNIFICANTLY TAXED BY NATIONAL GOVERNMENTS AND ALLOWING A 12 PERCENT INTERNAL RATE OF RETURN FOR THE COMPANIES. THE DEVELOPED COUNTRIES THINK THAT THE ENTERPRISE SHOULD BE STARTED UP WITH STATE SUBSCRIPTIONS OF REFUNDABLE PAID-IN CAPITAL, THAT NATIONAL GOVERNMENTS SHOULD BE ABLE TO TAX CONTRACTORS ACCORDING TO NATIONAL POLICIES, AND THAT IT IS MISGUIDED TO TALK ABOUT A RATE OF RETURN WHICH CAN BE

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"ALLOWED". REGARDING THE LATTER POINT, IT IS THE

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C O N F I D E N T I A L SECTION 03 OF 03 USUN NEW YORK 03599

FROM LOSDEL

VIEW OF THE DEVELOPED COUNTRIES THAT THE ONLY RATIONAL WAY  
TO APPORTION BENEFITS, IF THERE ARE ANY, FROM THIS  
UNKOWND INDUSTRY IS THE SELF ADJUSTING MECHANISM OF PROFIT  
SHARING. YOUNG

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## Message Attributes

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**To:** STATE  
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